

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
SEPTEMBER 30, 2000

	GOVERNMENTAL FUNDS				PROPRIETARY FUNDS		FIDUCIARY FUNDS	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT			
<u>ASSETS AND OTHER DEBITS</u>													
ASSETS													
Cash and Cash Equivalents	\$ 8,308,323	9,191,565	537,876	20,744,034	97,764,651	25,698,802	77,346	0	0	162,322,597	72,813	162,395,410	142,862,286
Investments	0	40,083	374,840	36,473,789	354,500	0	715,260,469	0	0	752,503,681	0	752,503,681	704,967,728
Receivables (Net of Allowances for Uncollectibles)													
Property Taxes	1,878,968	0	166,898	0	0	0	0	0	0	2,045,866	0	2,045,866	1,755,488
Accounts and Notes	4,832,098	801	0	0	5,566,150	0	1,940,840	0	0	12,339,889	0	12,339,889	11,728,145
Unbilled Services	0	0	0	0	2,793,011	0	0	0	0	2,793,011	0	2,793,011	2,568,024
Assessments	0	0	0	1,039,769	1,455,597	0	0	0	0	2,495,366	0	2,495,366	1,238,093
Accrued Dividends and Interest	0	0	0	0	2,644	0	3,352,728	0	0	3,355,372	0	3,355,372	3,283,342
Due from Other Funds	0	0	0	238,098	916,687	0	0	0	0	1,154,785	0	1,154,785	2,463,094
Due from Other Governments	2,187,052	2,932,834	0	914,401	242,892	0	0	0	0	6,277,179	0	6,277,179	8,239,388
Inventories	151,592	10,890,958	0	3,082,714	630,891	375,672	0	0	0	15,131,827	0	15,131,827	14,580,562
Restricted Assets													
Cash and Cash Equivalents	0	0	0	0	19,197,303	16,551	0	0	0	19,213,854	0	19,213,854	21,317,305
Investments	0	0	0	0	5,736,865	0	0	0	0	5,736,865	0	5,736,865	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0	314,309,907	20,020,891	9,050	209,148,882	0	543,488,730	0	543,488,730	521,594,925
Investment in Joint Venture	0	0	0	0	1,279,118	0	0	0	0	1,279,118	0	1,279,118	1,321,301
Deferred Bond Issuance Costs	0	0	0	0	64,020	0	0	0	0	64,020	0	64,020	71,612
Deposits	60,882	0	0	0	0	145,037	2,175	0	0	208,094	0	208,094	226,094
Total Assets	17,418,915	23,056,241	1,079,614	62,492,805	450,314,236	46,256,953	720,642,608	209,148,882	0	1,530,410,254	72,813	1,530,483,067	1,438,217,387
OTHER DEBITS													
Amount Available for Payment of General Long-Term Debt	0	0	0	0	0	0	0	0	912,716	912,716	0	912,716	671,953
Amount to be Provided for Payment of General Long-Term Debt	0	0	0	0	0	0	0	0	117,522,332	117,522,332	0	117,522,332	124,460,102
Total Other Debits	0	0	0	0	0	0	0	0	118,435,048	118,435,048	0	118,435,048	125,132,055
TOTAL ASSETS AND OTHER DEBITS	\$ 17,418,915	23,056,241	1,079,614	62,492,805	450,314,236	46,256,953	720,642,608	209,148,882	118,435,048	1,648,845,302	72,813	1,648,918,115	1,563,349,442

The accompanying notes are an integral part of these financial statements.

Continued on next page

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
SEPTEMBER 30, 2000

	GOVERNMENTAL FUNDS				PROPRIETARY FUNDS		FIDUCIARY FUNDS	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL	GENERAL	PRIMARY GOVERNMENT		2000	1999
								FIXED ASSETS	LONG-TERM DEBT				
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>													
LIABILITIES													
Vouchers Payable	\$ 736,281	533,547	0	2,010,255	4,136,830	1,188,673	3,139,530	0	0	11,745,116	0	11,745,116	7,908,044
Contracts Payable	0	40,132	0	1,045,822	647,208	0	0	0	0	1,733,162	0	1,733,162	1,106,062
Accrued Payroll	3,281,806	93,604	0	0	689,610	55,136	12,613	0	0	4,132,769	0	4,132,769	3,696,616
Due to Other Funds	0	0	0	238,098	0	0	916,687	0	0	1,154,785	0	1,154,785	2,463,094
Due to Other Governments	103,244	0	0	0	14,145	0	74,259	0	0	191,648	0	191,648	269,793
Estimated Insurance Claims Payable	0	0	0	0	0	15,194,939	0	0	0	15,194,939	0	15,194,939	14,835,575
Payable from Restricted Assets													
Vouchers Payable	0	0	0	0	36,751	0	0	0	0	36,751	0	36,751	0
Accrued Interest	0	0	0	0	40,567	16,551	0	0	0	57,118	0	57,118	77,250
Deposits	0	0	0	0	3,582,151	0	0	0	0	3,582,151	0	3,582,151	3,284,729
Accrued Compensated Absences and Longevity	51,365	0	0	0	3,783,074	224,583	0	0	18,970,048	23,029,070	0	23,029,070	23,727,848
Deposits	1,781,043	791,059	0	285,895	681,341	0	0	0	0	3,539,338	0	3,539,338	3,683,753
Deferred Revenue	3,315,775	3,892,566	166,898	1,019,389	1,659,907	0	0	0	0	10,054,535	0	10,054,535	7,984,923
Long-Term Bonds, Notes and Loans													
Bonds, Notes and Loans Payable	0	0	0	0	14,870,000	4,880,000	0	0	99,465,000	119,215,000	0	119,215,000	124,060,000
Unamortized Bond Discount	0	0	0	0	(116,581)	0	0	0	0	(116,581)	0	(116,581)	(170,894)
Estimated Landfill Closure Costs	0	0	0	0	12,900,000	0	0	0	0	12,900,000	0	12,900,000	10,000,000
Total Liabilities	9,269,514	5,350,908	166,898	4,599,459	42,925,003	21,559,882	4,143,089	0	118,435,048	206,449,801	0	206,449,801	202,926,793
EQUITY AND OTHER CREDITS													
Contributions	0	0	0	0	114,798,626	16,701,756	0	0	0	131,500,382	0	131,500,382	130,273,008
Investment in General Fixed Assets	0	0	0	0	0	0	0	209,148,882	0	209,148,882	0	209,148,882	195,235,717
Retained Earnings													
Reserved	0	0	0	0	14,344,318	0	0	0	0	14,344,318	0	14,344,318	16,800,125
Unreserved	0	0	0	0	278,246,289	7,995,315	0	0	0	286,241,604	0	286,241,604	267,104,266
Fund Balances													
Reserved	2,180,447	11,043,958	912,716	15,004,525	0	0	716,499,519	0	0	745,641,165	0	745,641,165	692,691,101
Unreserved	5,968,954	6,661,375	0	42,888,821	0	0	0	0	0	55,519,150	72,813	55,591,963	58,318,432
Total Retained Earnings/Fund Balances	8,149,401	17,705,333	912,716	57,893,346	292,590,607	7,995,315	716,499,519	0	0	1,101,746,237	72,813	1,101,819,050	1,034,913,924
Total Equity and Other Credits	8,149,401	17,705,333	912,716	57,893,346	407,389,233	24,697,071	716,499,519	209,148,882	0	1,442,395,501	72,813	1,442,468,314	1,360,422,649
<u>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</u>	<u>\$ 17,418,915</u>	<u>23,056,241</u>	<u>1,079,614</u>	<u>62,492,805</u>	<u>450,314,236</u>	<u>46,256,953</u>	<u>720,642,608</u>	<u>209,148,882</u>	<u>118,435,048</u>	<u>1,648,845,302</u>	<u>72,813</u>	<u>1,648,918,115</u>	<u>1,563,349,442</u>

The accompanying notes are an integral part of these financial statements.

Continued from previous page

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000

	GOVERNMENTAL FUNDS				TOTALS (MEMORANDUM ONLY)	COMPONENT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PRIMARY GOVERNMENT	UNIT	2000	1999
<u>REVENUES</u>								
Property Taxes	\$ 63,591,854	0	0	0	63,591,854	64,025	63,655,879	60,171,998
Utility Taxes	27,405,988	0	0	0	27,405,988	0	27,405,988	27,448,778
Franchise Taxes	12,095,197	0	0	0	12,095,197	0	12,095,197	12,145,711
Licenses and Permits	8,233,144	0	0	0	8,233,144	0	8,233,144	7,861,862
Fines and Forfeitures	1,875,973	1,296,333	0	0	3,172,306	0	3,172,306	2,727,710
Intergovernmental	15,312,609	14,908,929	0	2,339,379	32,560,917	0	32,560,917	28,707,005
Charges for Services	12,653,108	48,000	0	0	12,701,108	0	12,701,108	20,352,368
Other	22,994,142	906,048	161,774	4,292,579	28,354,543	4,876	28,359,419	20,582,852
Total Revenues	164,162,015	17,159,310	161,774	6,631,958	188,115,057	68,901	188,183,958	179,998,284
<u>EXPENDITURES</u>								
Current								
General Government	21,139,022	0	0	0	21,139,022	0	21,139,022	21,494,152
Public Safety	97,493,442	3,152,743	0	0	100,646,185	0	100,646,185	97,333,574
Physical Environment	5,415,308	31,761	0	0	5,447,069	0	5,447,069	5,123,596
Transportation	2,102,961	724,118	0	0	2,827,079	0	2,827,079	2,928,311
Economic Environment	1,083,540	10,639,033	0	0	11,722,573	44,123	11,766,696	10,229,124
Culture and Recreation	23,659,719	0	0	0	23,659,719	0	23,659,719	23,548,774
Capital Outlay	0	1,166,881	0	17,318,603	18,485,484	0	18,485,484	15,507,580
Debt Service								
Principal Retirement	0	50,000	7,945,000	0	7,995,000	0	7,995,000	8,260,000
Interest and Fiscal Charges	0	112,201	4,792,214	0	4,904,415	0	4,904,415	4,781,700
Total Expenditures	150,893,992	15,876,737	12,737,214	17,318,603	196,826,546	44,123	196,870,669	189,206,811
<u>EXCESS REVENUES OVER (UNDER) EXPENDITURES</u>	13,268,023	1,282,573	(12,575,440)	(10,686,645)	(8,711,489)	24,778	(8,686,711)	(9,208,527)
<u>OTHER FINANCING SOURCES (USES)</u>								
Proceeds from Debt Issuance	0	0	0	2,085,000	2,085,000	0	2,085,000	11,927,796
Proceeds from Advance Refunding of Bonds	0	0	0	0	0	0	0	26,316,129
Payment to Refunding Bond Escrow	0	0	0	0	0	0	0	(26,125,103)
Operating Transfers In	1,286,497	1,539,742	12,816,203	6,224,428	21,866,870	0	21,866,870	23,803,548
Operating Transfers Out	(15,486,747)	(684,559)	0	(1,610,054)	(17,781,360)	0	(17,781,360)	(21,651,113)
Total Other Financing Sources (Uses)	(14,200,250)	855,183	12,816,203	6,699,374	6,170,510	0	6,170,510	14,271,257
<u>EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(932,227)	2,137,756	240,763	(3,987,271)	(2,540,979)	24,778	(2,516,201)	5,062,730
<u>FUND BALANCES - BEGINNING OF PERIOD</u>	9,377,671	15,658,892	671,953	61,943,546	87,652,062	48,035	87,700,097	83,416,493
Equity Transfers from Other Funds	0	62,929	0	0	62,929	0	62,929	0
Equity Transfers to Other Funds	(296,043)	(154,244)	0	(62,929)	(513,216)	0	(513,216)	(779,126)
<u>FUND BALANCES - END OF PERIOD</u>	\$ 8,149,401	17,705,333	912,716	57,893,346	84,660,796	72,813	84,733,609	87,700,097

The accompanying notes are an integral part of these financial statements

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS) -
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000

	GENERAL FUND			SPECIAL REVENUE		FUNDS	DEBT SERVICE FUNDS			TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL		BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<u>REVENUES</u>												
Property Taxes	\$ 63,246,353	63,591,854	345,501	0	0	0	0	0	0	63,246,353	63,591,854	345,501
Utility Taxes	27,284,675	27,405,988	121,313	0	0	0	0	0	0	27,284,675	27,405,988	121,313
Franchise Taxes	12,712,120	12,095,197	(616,923)	0	0	0	0	0	0	12,712,120	12,095,197	(616,923)
Licenses and Permits	7,882,300	8,233,144	350,844	0	0	0	0	0	0	7,882,300	8,233,144	350,844
Fines and Forfeitures	1,939,500	1,875,973	(63,527)	0	0	0	0	0	0	1,939,500	1,875,973	(63,527)
Intergovernmental	14,587,600	15,312,609	725,009	14,993,681	14,908,929	(84,752)	0	0	0	29,581,281	30,221,538	640,257
Charges for Services	14,286,024	12,653,108	(1,632,916)	0	0	0	0	0	0	14,286,024	12,653,108	(1,632,916)
Other	22,090,946	22,994,142	903,196	506,775	619,412	112,637	126,554	161,774	35,220	22,724,275	23,775,328	1,051,053
Total Revenues	164,029,518	164,162,015	132,497	15,500,456	15,528,341	27,885	126,554	161,774	35,220	179,656,528	179,852,130	195,602
<u>EXPENDITURES</u>												
Current												
General Government	23,231,959	22,119,013	1,112,946	0	0	0	0	0	0	23,231,959	22,119,013	1,112,946
Public Safety	99,482,535	98,223,401	1,259,134	2,360,206	2,373,440	(13,234)	0	0	0	101,842,741	100,596,841	1,245,900
Physical Environment	5,390,445	5,437,527	(47,082)	31,761	31,761	0	0	0	0	5,422,206	5,469,288	(47,082)
Transportation	2,322,429	2,167,195	155,234	724,118	724,118	0	0	0	0	3,046,547	2,891,313	155,234
Economic Environment	1,317,085	1,091,237	225,848	11,216,783	10,656,318	560,465	0	0	0	12,533,868	11,747,555	786,313
Culture and Recreation	24,068,469	23,884,474	183,995	0	0	0	0	0	0	24,068,469	23,884,474	183,995
Capital Outlay	0	0	0	2,124,160	1,187,737	936,423	0	0	0	2,124,160	1,187,737	936,423
Debt Service												
Principal Retirement	0	0	0	74,707	50,000	24,707	7,945,000	7,945,000	0	8,019,707	7,995,000	24,707
Interest and Fiscal Charges	0	0	0	98,700	112,201	(13,501)	4,807,432	4,792,214	15,218	4,906,132	4,904,415	1,717
Total Expenditures	155,812,922	152,922,847	2,890,075	16,630,435	15,135,575	1,494,860	12,752,432	12,737,214	15,218	185,195,789	180,795,636	4,400,153
<u>EXCESS REVENUES OVER (UNDER)</u>												
<u>EXPENDITURES</u>	8,216,596	11,239,168	3,022,572	(1,129,979)	392,766	1,522,745	(12,625,878)	(12,575,440)	50,438	(5,539,261)	(943,506)	4,595,755
<u>OTHER FINANCING SOURCES (USES)</u>												
Operating Transfers In	1,286,497	1,286,497	0	1,536,624	1,539,742	3,118	12,668,997	12,816,203	147,206	15,492,118	15,642,442	150,324
Operating Transfers Out	(15,466,077)	(15,486,747)	(20,670)	(603,193)	(602,559)	634	0	0	0	(16,069,270)	(16,089,306)	(20,036)
Total Other Financing Sources (Uses)	(14,179,580)	(14,200,250)	(20,670)	933,431	937,183	3,752	12,668,997	12,816,203	147,206	(577,152)	(446,864)	130,288
<u>EXCESS REVENUES AND OTHER SOURCES</u>												
<u>OVER (UNDER) EXPENDITURES AND</u>												
<u>OTHER USES</u>	(5,962,984)	(2,961,082)	3,001,902	(196,548)	1,329,949	1,526,497	43,119	240,763	197,644	(6,116,413)	(1,390,370)	4,726,043
<u>FUND BALANCES - BEGINNING OF PERIOD</u>	7,489,299	7,489,299	0	12,947,249	12,947,249	0	671,953	671,953	0	21,108,501	21,108,501	0
Encumbrances at September 30, 1999	1,888,372	1,888,372	0	132,278	132,278	0	0	0	0	2,020,650	2,020,650	0
Equity Transfers from Other Funds	0	0	0	0	62,929	62,929	0	0	0	0	62,929	62,929
Equity Transfers to Other Funds	(278,766)	(296,043)	(17,277)	(154,244)	(154,244)	0	0	0	0	(433,010)	(450,287)	(17,277)
<u>FUND BALANCES - END OF PERIOD</u>	\$ 3,135,921	6,120,546	2,984,625	12,728,735	14,318,161	1,589,426	715,072	912,716	197,644	16,579,728	21,351,423	4,771,695

The accompanying notes are an integral part of these financial statements.

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000

	PROPRIETARY FUNDS		FIDUCIARY FUNDS NON-EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE		2000	1999
<u>OPERATING REVENUES</u>					
Charges for Services	\$ 81,942,735	29,818,799	0	111,761,534	111,573,884
Investment Income	0	0	1,505,307	1,505,307	1,423,044
Equity in Earnings of Joint Venture	95,808	0	0	95,808	102,757
Other	10,626,126	1,255,565	302,181	12,183,872	10,469,292
Total Operating Revenues	<u>92,664,669</u>	<u>31,074,364</u>	<u>1,807,488</u>	<u>125,546,521</u>	<u>123,568,977</u>
<u>OPERATING EXPENSES</u>					
Personal Services	24,434,711	1,979,385	0	26,414,096	26,309,963
Current Expenses	43,313,624	26,226,998	0	69,540,622	63,987,254
Administrative Costs	0	0	522,152	522,152	517,231
Depreciation	9,689,827	6,310,212	0	16,000,039	14,945,543
Total Operating Expenses	<u>77,438,162</u>	<u>34,516,595</u>	<u>522,152</u>	<u>112,476,909</u>	<u>105,759,991</u>
Operating Income (Loss)	<u>15,226,507</u>	<u>(3,442,231)</u>	<u>1,285,336</u>	<u>13,069,612</u>	<u>17,808,986</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Revenues					
Interest	7,431,372	1,593,137	0	9,024,509	5,798,383
Other	435,800	771,915	0	1,207,715	1,190,447
Total	<u>7,867,172</u>	<u>2,365,052</u>	<u>0</u>	<u>10,232,224</u>	<u>6,988,830</u>
Expenses					
Interest and Fiscal Charges	860,208	220,432	0	1,080,640	1,646,040
Less Interest Capitalized	(276,255)	0	0	(276,255)	(572,520)
Increase in Estimated Landfill Closure Costs	2,900,000	0	0	2,900,000	0
Other	20,468	0	0	20,468	26,704
Total	<u>3,504,421</u>	<u>220,432</u>	<u>0</u>	<u>3,724,853</u>	<u>1,100,224</u>
Total Non-Operating Revenues (Expenses)	<u>4,362,751</u>	<u>2,144,620</u>	<u>0</u>	<u>6,507,371</u>	<u>5,888,606</u>
Income (Loss) Before Operating Transfers	<u>19,589,258</u>	<u>(1,297,611)</u>	<u>1,285,336</u>	<u>19,576,983</u>	<u>23,697,592</u>
<u>OPERATING TRANSFERS IN (OUT)</u>					
Transfers In	0	0	0	0	195,618
Transfers Out	(4,085,510)	0	0	(4,085,510)	(2,348,053)
Total Operating Transfers In (Out)	<u>(4,085,510)</u>	<u>0</u>	<u>0</u>	<u>(4,085,510)</u>	<u>(2,152,435)</u>
Income (Loss) Before Extraordinary Item	<u>15,503,748</u>	<u>(1,297,611)</u>	<u>1,285,336</u>	<u>15,491,473</u>	<u>21,545,157</u>
<u>EXTRAORDINARY LOSS ON DEFEASANCE OF BONDS</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(381,158)</u>
<u>NET INCOME (LOSS)</u>	<u>15,503,748</u>	<u>(1,297,611)</u>	<u>1,285,336</u>	<u>15,491,473</u>	<u>21,163,999</u>
Depreciation on Contributed Fixed Assets	2,741,275	25,862	0	2,767,137	2,695,788
Increase (Decrease) in Retained Earnings/Fund Balances	<u>18,245,023</u>	<u>(1,271,749)</u>	<u>1,285,336</u>	<u>18,258,610</u>	<u>23,859,787</u>
<u>RETAINED EARNINGS/FUND BALANCES - BEGINNING OF PERIOD</u>	<u>274,637,327</u>	<u>9,267,064</u>	<u>12,753,056</u>	<u>296,657,447</u>	<u>273,253,967</u>
Equity Transfers to Other Funds	<u>(291,743)</u>	<u>0</u>	<u>0</u>	<u>(291,743)</u>	<u>(456,307)</u>
<u>RETAINED EARNINGS/FUND BALANCES - END OF PERIOD</u>	<u>\$ 292,590,607</u>	<u>7,995,315</u>	<u>14,038,392</u>	<u>314,624,314</u>	<u>296,657,447</u>

The accompanying notes are an integral part of these financial statements

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000

	PROPRIETARY FUNDS		FIDUCIARY FUNDS	TOTALS	
	ENTERPRISE	INTERNAL SERVICE	NON-EXPENDABLE TRUST	(MEMORANDUM ONLY)	
				2000	1999
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts from Customers	\$ 91,423,700	0	302,181	91,725,881	90,803,500
Receipts from Other Funds	2,922,065	30,709,650	0	33,631,715	32,411,282
Other Operating Receipts	0	364,714	0	364,714	290,581
Payments to Suppliers	(25,175,578)	(25,073,926)	(646,916)	(50,896,420)	(52,531,884)
Payments for Services of Employees	(24,216,121)	(1,980,110)	0	(26,196,231)	(26,114,473)
Payments to Other Funds	(16,127,551)	(561,215)	0	(16,688,766)	(16,278,020)
Net Cash Provided (Used) by Operating Activities	28,826,515	3,459,113	(344,735)	31,940,893	28,580,986
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Repayment of Loans to Other Funds	1,097,634	0	0	1,097,634	934,883
Operating Grant Receipts	434,843	0	0	434,843	189,867
Transfers from Other Funds	0	0	0	0	195,618
Loans to Other Funds	(916,686)	0	0	(916,686)	(1,097,634)
Transfers to Other Funds	(4,377,253)	0	0	(4,377,253)	(2,804,360)
Net Cash Used by Non-Capital Financing Activities	(3,761,462)	0	0	(3,761,462)	(2,581,626)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Proceeds from Disposal of Fixed Assets	4,191	898,510	0	902,701	1,231,135
Proceeds from Debt Issuance	5,700,114	0	0	5,700,114	0
Capital Contributions	2,298,082	587,786	0	2,885,868	3,627,877
Investment in Joint Venture	137,991	0	0	137,991	145,096
Acquisition and Construction of Fixed Assets	(17,371,190)	(6,656,404)	0	(24,027,594)	(23,937,806)
Retirement of Debt	(4,080,000)	(595,000)	0	(4,675,000)	(17,466,158)
Interest Paid on Debt	(824,043)	(222,415)	0	(1,046,458)	(1,571,260)
Net Cash Used by Capital and Related Financing Activities	(14,134,855)	(5,987,523)	0	(20,122,378)	(37,971,116)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Proceeds from Sales and Maturities of Investments	698,211	0	3,745,046	4,443,257	21,296,924
Interest and Dividends on Investments	7,433,943	1,593,137	810,559	9,837,639	6,304,163
Purchase of Investments	(6,090,476)	0	(4,210,870)	(10,301,346)	(7,407,447)
Net Cash Provided by Investing Activities	2,041,678	1,593,137	344,735	3,979,550	20,193,640
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	12,971,876	(935,273)	0	12,036,603	8,221,884
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</u>	103,990,078	26,650,626	0	130,640,704	122,418,820
<u>CASH AND CASH EQUIVALENTS - END OF PERIOD</u>	\$ 116,961,954	25,715,353	0	142,677,307	130,640,704
<u>CLASSIFIED AS</u>					
Unrestricted Assets	\$ 97,764,651	25,698,802	0	123,463,453	109,323,399
Restricted Assets	19,197,303	16,551	0	19,213,854	21,317,305
	\$ 116,961,954	25,715,353	0	142,677,307	130,640,704

The accompanying notes are an integral part of these financial statements.

Continued on next page

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000

	PROPRIETARY FUNDS		FIDUCIARY FUNDS	TOTALS	
	ENTERPRISE	INTERNAL SERVICE	NON-EXPENDABLE TRUST	(MEMORANDUM ONLY)	
				2000	1999
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
OPERATING INCOME (LOSS)	\$ 15,226,507	(3,442,231)	1,285,336	13,069,612	17,808,986
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
Depreciation	9,689,827	6,310,212	0	16,000,039	14,945,543
Net Increase in Fair Value of Investments	0	0	(719,615)	(719,615)	(903,338)
Interest and Dividends on Investments	0	0	(782,688)	(782,688)	(503,211)
Equity in Earnings of Joint Venture	(95,808)	0	0	(95,808)	(102,757)
Changes in Assets and Liabilities					
(Increase) Decrease in Receivables					
Accounts	443,933	0	0	443,933	508,215
Unbilled Service	(224,987)	0	0	(224,987)	236,356
Accrued Dividends and Interest	0	0	(3,004)	(3,004)	(16,495)
(Increase) Decrease in Inventories	(9,519)	(93,352)	0	(102,871)	104,033
Decrease in Deferred Bond Issue Costs	47,478	0	0	47,478	95,066
Decrease in Deposits	0	0	0	0	14,963
Increase (Decrease) in Vouchers Payable	1,981,187	549,087	(124,764)	2,405,510	(2,342,733)
Increase in Accrued Payroll	100,964	6,432	0	107,396	76,668
Increase (Decrease) in Due to Other Governments	(8,651)	0	0	(8,651)	19,329
Increase (Decrease) in Estimated Insurance Claims Payable	0	359,364	0	359,364	(2,126,025)
Increase in Deposits Payable from Restricted Assets	297,422	0	0	297,422	354,345
Increase (Decrease) in Accrued Compensated Absences and Longevity	117,626	(7,157)	0	110,469	118,822
Increase (Decrease) in Deposits	(18,485)	(223,242)	0	(241,727)	168,428
Increase in Deferred Revenue	1,279,021	0	0	1,279,021	124,791
Total Adjustments	13,600,008	6,901,344	(1,630,071)	18,871,281	10,772,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 28,826,515	3,459,113	(344,735)	31,940,893	28,580,986
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS OF FIDUCIARY FUNDS</u>					
Non-expendable Trust Funds			\$ 0		
Pension Trust Funds			0		
Agency Funds			77,346		
CASH AND CASH EQUIVALENTS - FIDUCIARY FUNDS			\$ 77,346		

NON-CASH INVESTING ACTIVITIES

As of the report date, the non-cash net increase in the fair value of the investments of the General Reserve Endowment and the Perpetual Care Non-expendable Trust Funds totaled \$139,225 and \$1,662,675, respectively.

The accompanying notes are an integral part of these financial statements.

Continued from previous page

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2000

	GENERAL EMPLOYEES'	POLICE AND FIRE	TOTAL
<u>ADDITIONS</u>			
Contributions			
City	\$ 4,187,028	4,841,916	9,028,944
Employee	3,258,587	2,985,389	6,243,976
State	0	3,368,466	3,368,466
County	104,568	0	104,568
Total	<u>7,550,183</u>	<u>11,195,771</u>	<u>18,745,954</u>
Investment Income			
Interest	7,714,946	10,227,175	17,942,121
Dividends	765,460	2,685,535	3,450,995
Net Appreciation in Fair Value of Investments	31,289,587	25,096,646	56,386,233
Other	145,799	0	145,799
Total	<u>39,915,792</u>	<u>38,009,356</u>	<u>77,925,148</u>
Investment Expense	785,846	1,013,087	1,798,933
Net Investment Income	<u>39,129,946</u>	<u>36,996,269</u>	<u>76,126,215</u>
Other Income	74,872	26,803	101,675
Total Additions	<u>46,755,001</u>	<u>48,218,843</u>	<u>94,973,844</u>
<u>DEDUCTIONS</u>			
Benefits Paid			
Retirement	12,436,675	27,247,428	39,684,103
Disability	461,055	415,798	876,853
Death	710,263	205,605	915,868
Total	<u>13,607,993</u>	<u>27,868,831</u>	<u>41,476,824</u>
Refunds			
Employee Contributions	646,376	177,539	823,915
Interest on Contributions	70,375	17,285	87,660
Total	<u>716,751</u>	<u>194,824</u>	<u>911,575</u>
Administrative Costs	298,436	382,262	680,698
Total Deductions	<u>14,623,180</u>	<u>28,445,917</u>	<u>43,069,097</u>
<u>NET INCREASE</u>	32,131,821	19,772,926	51,904,747
<u>FUND BALANCES RESERVED FOR EMPLOYEES'</u>			
<u>PENSION BENEFITS - BEGINNING OF PERIOD</u>	<u>269,664,010</u>	<u>380,892,370</u>	<u>650,556,380</u>
<u>FUND BALANCES RESERVED FOR EMPLOYEES'</u>			
<u>PENSION BENEFITS - END OF PERIOD</u>	<u>\$ 301,795,831</u>	<u>400,665,296</u>	<u>702,461,127</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

INDEX

<u>Note</u>		<u>Page</u>
(1)	Summary of Significant Accounting Policies.....	18
(2)	Comparison of Budget to Actual Results.....	25
(3)	Cash and Cash Equivalents and Investments.....	25
(4)	Property Taxes.....	27
(5)	Interfund Receivables and Payables.....	27
(6)	Fixed Assets.....	28
(7)	Investment in Joint Venture.....	29
(8)	Risk Management.....	29
(9)	Long-Term Debt.....	30
(10)	Estimated Landfill Closure Costs.....	32
(11)	Contributions.....	33
(12)	Retained Earnings/Fund Balances.....	33
(13)	Employee Retirement Systems.....	35
(14)	Other Postemployment Benefits.....	38
(15)	Deferred Compensation Plan.....	38
(16)	Other Income.....	38
(17)	Equity Transfers.....	39
(18)	Operating Leases.....	39
(19)	Segments of Enterprise Activities.....	40
(20)	Commitments and Contingent Liabilities.....	40

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 2000

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Fort Lauderdale, Florida (the City) have been prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental units. The following is a summary of the more significant accounting policies of the City:

- (A) The Financial Reporting Entity - The City was incorporated in 1911, covers an area of approximately 33 square miles and is the county seat of Broward County, Florida. The City is governed by an elected five member commission composed of a Mayor and four District Commissioners and provides services to its approximately 148,900 residents in many areas, including law enforcement, community enrichment and development and various human services. As required by GAAP, these financial statements present the City of Fort Lauderdale (the primary government) and its component units. The component units discussed in note 1(B) below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City.
- (B) Individual Component Unit Disclosure - The criteria used for including component units consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

The Fort Lauderdale Community Redevelopment Agency (CRA) is governed by a five member board appointed by the City Commission (currently composed of the City Commission, itself). Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated redevelopment areas. The CRA is reported within the special revenue fund type using the blended method. Separate financial information for the CRA can be obtained from the City's Community and Economic Development Department.

The Sunrise Key Safe Neighborhood Improvement District (SK) is governed by a seven member board appointed by the City Commission. While legally separate from the City, SK is reported as part of the reporting entity under the discretely presented method because the City's elected officials are financially accountable for the SK. The City Commission has the power to approve, disapprove or modify the budget and millage rates or assessments submitted by the board. Separate financial information can be obtained from the SK.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 2000

- (C) Related Organizations - The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not significantly extend beyond making the appointments. The City Commission appoints the governing board of the City of Fort Lauderdale Downtown Development Authority (DDA) and the Housing Authority of the City of Fort Lauderdale (HA). The City is not financially accountable for either the DDA or HA.
- (D) Joint Ventures - The City is a participant with the Performing Arts Center Authority (PACA) and the DDA in a joint venture to own and operate the 950 space Arts and Science District Parking Garage. The City has an ongoing financial interest in this joint venture which is discussed in note 7.
- (E) Basis of Presentation - The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, equities, revenues and expenditures or expenses. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the City:

GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than net income. The following are the City's governmental fund types:

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - Debt service funds are used to account for the annual payment of principal, interest and other expenditures on general long-term debt, other than bonds payable from the operations of the enterprise funds.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 2000

Capital Projects Funds - Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

PROPRIETARY FUND TYPES

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is on determination of net income. The following are the City's proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that provide a service to citizens, financed primarily by a user charge, and where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City or to other governmental units.

FIDUCIARY FUND TYPES

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds. The following are the City's fiduciary fund types:

Trust and Agency Funds - Trust and agency funds are used to account for assets held in trust or as an agent by the City for others. The City has two types of trust funds: nonexpendable and pension. Nonexpendable and pension trust funds are accounted for and reported in the same manner as proprietary funds. Agency funds are custodial in nature and do not involve measurement of net income.

ACCOUNT GROUPS

Account groups are used to establish accounting controls and accountability for the City's general fixed assets and its general long-term debt. The City's account groups are further described below:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the City, other than those accounted for in the enterprise, internal service and pension trust funds.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 2000

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the City except that accounted for in the enterprise and internal service funds.

COMPARATIVE TOTAL DATA

Comparative total data are the aggregate of the fund types, account groups and the discretely presented component unit. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated financial information and are labeled as "memorandum only".

Total data for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the City's financial position and operations.

- (F) Basis of Accounting - The modified accrual basis of accounting is followed by the governmental and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual, i.e., measurable and available to finance the City's operations. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the related fund liabilities are incurred, if measurable, except for interest on long-term debt and the long-term portion of accumulated compensated absences and longevity pay, which are recognized when due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual.

The major utility and franchise taxes are recorded as revenues when earned. Licenses and permits, fines and forfeitures, charges for services, and other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are recorded as revenues in the fiscal year levied, provided they are collected in the current period or within sixty days thereafter. Those remaining uncollected are recorded as deferred revenues. Investment income is recorded as revenue when earned. Special assessments are recorded as revenues only to the extent that individual installments are considered available.

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

The accrual basis of accounting is utilized by proprietary funds and pension and nonexpendable trust funds. Unbilled service receivables have been accrued in the proprietary funds.

- (G) Budgetary Data - The City Commission follows these procedures in establishing the budgetary data reflected in the financial statements:
- (1) Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
 - (2) Public hearings are conducted.
 - (3) Prior to October 1, the budget is legally enacted.
 - (4) The level of control (level at which expenditures may not exceed budget) is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Any revisions that alter the total expenditures of any department must be approved by the City Commission. Unencumbered balances of appropriations lapse at year end.
 - (5) Annual budgets are adopted for all governmental and proprietary funds except the Law Enforcement Confiscated Property Special Revenue Fund and the capital project funds. The budgets have been adopted on a basis consistent with generally accepted accounting principles with the following exceptions: Advances from other funds are presented as revenues, and encumbrances, advances to other funds and principal on long-term debt of the proprietary funds are presented as expenditures or expenses (see note 2 for further disclosure).

The reported budgetary data represents the final approved budget after amendments adopted by the City Commission with one exception. Budgets for grants and shared revenues from other governmental units which do not lapse at year end are only reported to the extent of revenues recognized and expenditures incurred for the current year. Individual amendments were not material in relation to the original adopted budget.

- (H) Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.
- (I) Cash and Cash Equivalents - The City considers cash on hand, cash with fiscal agents, demand deposits, certificates of deposit and bank repurchase agreements as cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty.

- (J) Investments - Investments are stated at fair value. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the City are accounted for in the City's investment pool. Income earned from this pool is allocated to the respective funds based upon average monthly balances.
- (K) Inventories - Inventories in the special revenue and capital projects funds are composed of land held for redevelopment or resale and are stated at cost. Inventories of materials and supplies in the general, enterprise and internal service funds are based on year end physical counts priced at weighted average cost. Inventories are recognized as expenditures or expenses when consumed.
- (L) Advances to Other Funds - Long-term interfund advances of the governmental funds are recorded by the advancing fund as a receivable and a reservation of fund balance. Repayments reduce the corresponding receivable and the reserve.
- (M) Fixed Assets - Proprietary and Pension Trust Funds - Property, plant and equipment owned by the proprietary and pension trust funds are stated at cost or estimated historical cost. Contributions of fixed assets received from Federal, state or local sources are recorded as contributions when received and are stated at estimated fair market value at the time of acquisition. Depreciation on such externally contributed fixed assets is recorded as a reduction of contributed equity. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Interest is capitalized on projects during the construction period based upon average accumulated project expenditures.

Depreciation of plant and equipment is provided on the straight-line basis over the following estimated useful lives:

Buildings	40-50 years
Improvements	20-50 years
Equipment	3-15 years

- (N) General Fixed Assets - General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

Certain improvements, including roads, bridges, curbs and gutters, streets, sidewalks and lighting systems, are not capitalized. Such assets normally are immovable and of value only to the City. No depreciation has been provided on general fixed assets.

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

- (O) Pension Plans - The City provides separate defined benefit pension plans for general employees and uniformed police and fire department personnel. The City also provides a defined contribution pension plan for general employees not eligible to participate in the defined benefit plan. It is the City's policy to fund the normal cost and amortization of the unfunded prior service cost (see note 13).
- (P) Self-Insurance - The City is self-insured for general liability, automobile liability, police professional liability, workers' compensation, employee relations and certain death benefits and medical plans. The operating funds are charged premiums by the City Insurance Internal Service Fund. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year end including claims incurred and not yet reported.
- (Q) Employee Compensated Absences and Longevity - City employees are granted sick, vacation and longevity pay in varying amounts based on length of service. Compensatory time is granted to employees in lieu of overtime pay at the employee's request. Sick leave payments to terminated employees are based on length of service. Unused vacation pay and compensatory time are paid upon an employee's termination. Longevity pay is paid to eligible employees annually based on length of service. Expenditures for accumulated compensated absences and longevity have been recorded in the governmental funds to the extent that such amounts will be paid from expendable available resources. The remaining portion has been recorded as a liability in the general long-term debt account group. Accumulated compensated absences and longevity are recorded as expenses in the proprietary funds when earned.
- (R) Reserves - Reserves are reported in the various funds to indicate that portion of fund balance/retained earnings legally segregated for specific purposes.
- (S) Landfill Closure Costs - Landfill closure and postclosure care costs represent an estimate of the City's share of total current costs to close and monitor the City's landfill. The landfill is accounted for in the Sanitation Enterprise Fund.
- (T) Proprietary Fund Accounting - In accordance with GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", all proprietary funds will apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The City chooses not to follow FASB guidance issued after November 30, 1989 for its proprietary funds.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

(2) COMPARISON OF BUDGET TO ACTUAL RESULTS:

As discussed in note 1(G)(5), certain adjustments are necessary to compare actual data on a GAAP versus budget basis. Adjustments necessary to compare the fund balances of the general and special revenue funds at year end follow:

	<u>General</u>	<u>Special Revenue</u>
Combined statement of revenues, expenditures and changes in fund balances - page 6	\$ 8,149,401	17,705,333
Basis of accounting adjustments:		
Encumbrances	(2,028,855)	(38,141)
Equity adjustments:		
Fund balances of non-budgeted funds		
Law Enforcement Confiscated Property Fund	<u>0</u>	<u>(3,349,031)</u>
Combined statement of revenues, expenditures and changes in fund balances - budget and actual (budget basis) - page 8	\$ <u>6,120,546</u>	<u>14,318,161</u>

(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS:

The City maintains a common cash and investment pool for use by all funds. In addition, cash and investments are separately held by the City's special revenue, debt service, capital projects, enterprise and trust funds.

Cash and Cash Equivalents

At September 30, 2000 the carrying amount of the City's deposits was \$7,048,453 with a bank balance of \$9,228,403. Of the bank balance, \$331,312 was covered by Federal depository insurance or by collateral held by the City's agent in the City's name and \$8,957,090 was insured via participation by the bank in the Florida Security for Public Deposits Act. Included in the carrying amount of deposits was \$64,236 cash on hand.

Investments

In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", all investments are reported at fair value.

Florida Statutes and City Ordinance authorize City officials to invest pooled funds in United States and corporate bonds and obligations, guaranteed United States agency issues, Florida state, county, municipal, school district and other political subdivision general, excise and revenue obligations, the Florida State Investment Pool, the Florida Municipal Investment Trust, Florida bank certificates of deposit, bankers acceptances, repurchase agreements, reverse repurchase

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

agreements and prime commercial paper issues. In addition, the trust funds are authorized to invest in corporate bonds and stocks, money market funds, real estate and mortgages and notes.

The City's investments are categorized by type to give an indication of the level of credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the City's counterparty, or by its trust department or agent, but not in the City's name.

Open market securities and mutual fund fair values were determined using the quoted market values on the exchange in which the securities are traded. The value of the City's investment in the Florida State Investment Pool, which is not Securities and Exchange Commission (SEC) registered but which qualifies as an SEC 2a7-like pool, is the same as the pool's share price. This local government surplus fund investment pool is administered by the Florida State Board of Administration, an agency of the State of Florida, with regulatory oversight exercised by the State. Likewise the Florida Municipal Investment Trust, a local government investment trust administered by the Florida League of Cities, is not SEC registered, but qualifies as an SEC 2a7-like pool. The value of the City's investment in the trust is based upon changes in market value of the underlying securities. The City's real estate holding is comprised of its share in a real estate investment trust. The value of the trust property portfolio is based upon the most recent appraised value.

At September 30, 2000 the fair value and category of credit risk of the City's investments are as follows:

	<u>Category</u> <u>1</u>	<u>Fair</u> <u>Value</u>
U.S. Treasury Securities	\$ 127,910,287	127,910,287
U.S. Government Agency Securities	71,235,054	71,235,054
Commercial Paper	3,638,438	3,638,438
Corporate Obligations	91,361,124	91,361,124
Common Stock	<u>427,849,288</u>	<u>427,849,288</u>
	\$ <u>721,994,191</u>	721,994,191
Money Market Mutual Funds		45,479,929
Florida State Investment Pool		149,494,475
Florida Municipal Investment Trust		12,685,831
Real Estate Investments		<u>2,168,578</u>
		\$ <u>931,823,004</u>

As of September 30, 2000 the Florida State Investment Pool (Pool) contained certain floating and variable rate notes, which could be classified as "derivative" investments under GASB Technical Bulletin No. 94-1. Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate or index. During the year all floating and variable rate notes owned by the Pool were index based floaters derived from the fixed prime

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

rate and/or one and three month London Inter-Bank Offered Rates. As of September 30, 2000 the Pool's investment in this type of instrument represented approximately 3% of the total Pool investments.

Interest receivable on the City's investment pool amounted to \$905,540 at September 30, 2000.

(4) PROPERTY TAXES:

The City's property tax is levied, becomes a lien on real and personal property located in the City and is recorded as a receivable on November 1 of each year based upon the assessed value listed as of the prior January 1. Assessed values are established by the Broward County Property Appraiser. The assessed value at January 1, 1999, upon which the 1999-00 levy was based, was approximately \$11.98 billion.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for General Fund operations exclusive of voted debt levies. Taxes levied for the General Fund for the 1999-00 fiscal year were 5.0415 mills for operations and 0.5249 for debt service.

All taxes are due from property holders on March 31, become delinquent on April 1 and become subject to the issuance of tax sale certificates on June 1. Current tax collections for the year ended September 30, 2000 were approximately 98.9% of the total tax levy.

(5) INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivable and payable balances at September 30, 2000 follow:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Capital Projects Funds:		
Sunshine State Construction Fund 1996	\$ 238,098	0
Excise Tax Construction Fund 1998C	0	238,098
Enterprise Funds:		
Water and Sewer	916,687	0
Trust Funds:		
General Employees' Pension	0	2,003
Police and Fire Pension	0	914,684
	<u>\$ 1,154,785</u>	<u>1,154,785</u>

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

(6) FIXED ASSETS:

The components of fixed assets at September 30, 2000 follow:

	<u>Proprietary Funds</u>			<u>General Fixed Assets Account Group</u>	<u>Total</u>
	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Trust Funds</u>		
Land	\$ 16,864,859	0	0	30,044,082	46,908,941
Buildings	176,676,900	708,459	0	78,565,176	255,950,535
Improvements	234,179,537	672,921	0	57,845,298	292,697,756
Equipment	24,896,232	47,266,003	48,360	35,208,575	107,419,170
Work in Progress	<u>16,336,405</u>	<u>150,900</u>	<u>0</u>	<u>7,485,751</u>	<u>23,973,056</u>
	468,953,933	48,798,283	48,360	209,148,882	726,949,458
Less Accumulated Depreciation	<u>154,644,026</u>	<u>28,777,392</u>	<u>39,310</u>	0	<u>183,460,728</u>
	<u>\$ 314,309,907</u>	<u>20,020,891</u>	<u>9,050</u>	<u>209,148,882</u>	<u>543,488,730</u>

The following tables summarize changes in components of the general fixed assets account group:

	<u>Balance October 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2000</u>
Land	\$ 28,928,380	1,115,702	0	30,044,082
Buildings	77,502,773	1,062,403	0	78,565,176
Improvements	47,962,967	9,882,331	0	57,845,298
Equipment	33,770,966	3,299,415	1,861,806	35,208,575
Work in Progress	<u>7,070,631</u>	<u>14,004,904</u>	<u>13,589,784</u>	<u>7,485,751</u>
	<u>\$ 195,235,717</u>	<u>29,364,755</u>	<u>15,451,590</u>	<u>209,148,882</u>

The sources of general fixed assets acquired follow:

General Fund	\$ 22,580,468
Special Revenue	26,091,676
Capital Projects	142,594,890
Enterprise	286,963
Contributed	2,020,829
Assets acquired prior to October 1, 1974 - sources undetermined	<u>15,574,056</u>
	<u>\$ 209,148,882</u>

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

(7) INVESTMENT IN JOINT VENTURE:

The City has agreements with the PACA and the DDA for the operation of a 950 space parking garage in the Arts and Science District of the City. The City, as operating agent, has full and exclusive responsibility for operation and maintenance of the garage which is being accounted for as a joint venture in the Parking System Fund using the equity method of accounting.

The City collects all revenues and pays all operating expenses for the garage and determines the allocation to each of the participants monthly. Net income for the year was \$749,038, derived exclusively from operations. The equity interests of the City, the PACA and the DDA totaled \$1,279,118, \$1,470,632 and \$688,749, respectively at September 30, 2000. Separate financial statements for the joint venture are available from the City's Finance Department.

(8) RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City Insurance Internal Service Fund is used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation, employee relations, general liability, auto liability, police professional liability and certain medical benefits as specified by applicable Federal and state statutes. The City purchases commercial insurance for workers' compensation claims in excess of \$300,000 for employees with statutory limits per accident. In addition, property insurance is purchased for City structures with a \$100,000 retention and total limits in force of \$245,000,000. Commercial, specific, stop-loss insurance is also purchased for medical claims in excess of \$150,000. Settled claims have never exceeded the City's retention and excess coverage in force.

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims and to provide fund equity for catastrophic losses. The estimated insurance claims payable at September 30, 2000 of \$15,194,939 is based on the requirements of GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" as amended by GASB Statement No. 30 "Risk Financing Omnibus", which requires that claims liabilities be based upon the estimated ultimate costs of settling the claims, including incremental costs, such as outside legal assistance costs incurred only because of the claims and that the liability include incurred but not reported losses estimated based upon historical experience. Changes in the balance of estimated insurance claims payable for the fiscal years ended September 30, 1999 and 2000 follow:

	<u>Balance</u> <u>October 1</u>	<u>New Claims</u> <u>and Changes</u> <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>September 30</u>
Fiscal Year Ending in:				
1999	\$ 16,961,600	4,904,448	7,030,473	14,835,575
2000	14,835,575	6,848,679	6,489,315	15,194,939

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

(9) LONG-TERM DEBT:

The following is a summary of long-term debt transactions of the City for the fiscal year ended September 30, 2000:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>General Long-Term Debt</u>
Payable at October 1, 1999	\$ 26,875,448	5,706,740	125,132,055
New Debt Issued:			
Sunshine State Financing Commission Loan	0	0	2,085,000
Sanitation Revenue Bonds	5,740,000	0	0
Debt Retired:			
General Obligation Bonds	0	0	(3,960,000)
Excise Tax Bonds	(1,050,000)	(595,000)	(2,100,000)
Water and Sewer Revenue Bonds	(3,030,000)	0	0
Tax Increment Revenue Bonds	0	0	(285,000)
Sunshine State Financing Commission Loans	0	0	(1,650,000)
Net Changes in Other Long-term Liabilities			
Estimated Landfill Closure Costs	(1,790,620)	0	0
Accrued Compensated Absences and Longevity	<u>117,626</u>	<u>(7,157)</u>	<u>(787,007)</u>
Payable at September 30, 2000	<u>\$26,862,454</u>	<u>5,104,583</u>	<u>118,435,048</u>

Bonds, Notes and Loans Payable at September 30, 2000 consists of:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>General Long-Term Debt</u>
General Obligation Bonds	\$ 0	0	54,610,000
Excise Tax Bonds	6,060,000	4,880,000	24,195,000
Water and Sewer Revenue Bonds	3,070,000	0	0
Sanitation Revenue Bonds	5,740,000	0	0
Tax Increment Revenue Bonds	0	0	5,035,000
Sunshine State Financing Commission Loans	<u>0</u>	<u>0</u>	<u>15,625,000</u>
	<u>\$14,870,000</u>	<u>4,880,000</u>	<u>99,465,000</u>

Bonds outstanding at September 30, 2000 mature in varying amounts during succeeding fiscal years through 2018. Interest rates are as follows: 4.5% to 5.5% on general obligation bonds, 3.35% to 5.5% on excise tax bonds, 5.0% on water and sewer revenue bonds, 5.1% on sanitation revenue bonds and 5.5% to 6.2% on tax increment revenue bonds. The Sunshine State Financing Commission Loans are variable rate instruments with the tax exempt loans averaging 3.82% and the taxable loan averaging 5.95%.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

The annual requirements to pay principal and interest on the bonds, notes and loans outstanding at September 30, 2000 (in thousands) follow and include estimated amounts for interest on the variable rate Sunshine State Loans:

	Enterprise Funds			Internal Service Funds	General Long-Term Debt			
	Sanitation Revenue Bonds	Excise Tax Bonds	Water & Sewer Revenue Bonds	Excise Tax Bonds	General Obliga- tion Bonds	Excise Tax Bonds	Tax Increment Revenue Bonds	Sunshine State Loans
Fiscal Year Ending In:								
2001	\$ 518	1,438	3,224	819	6,802	3,177	602	1,969
2002	545	1,433	0	814	6,799	3,185	605	2,063
2003	546	1,414	0	818	6,674	3,178	603	2,147
2004	547	1,407	0	816	6,645	3,182	603	2,237
2005	546	1,398	0	814	6,602	3,185	603	2,331
2006-2010	2,759	0	0	1,632	21,850	13,681	3,019	4,089
2011-2015	2,812	0	0	0	14,505	0	1,209	1,129
2016-2018	0	0	0	0	5,835	0	0	442
	<u>\$ 8,273</u>	<u>7,090</u>	<u>3,224</u>	<u>5,713</u>	<u>75,712</u>	<u>29,588</u>	<u>7,244</u>	<u>16,407</u>

Water and Sewer Revenue Bonds are secured by a pledge of the net revenues of the City's water and sewer system. General Obligation Bonds are secured by the full faith and credit of the City. The Excise Tax Bonds are secured by a pledge of certain utility service, cigarette and franchise taxes. In addition, the City of Pompano Beach, Florida has contractually agreed to pay 39% of the debt service costs on the Excise Tax Improvement Bonds which were used to fund an 800 MHz public safety communications system for both cities. Tax Increment Revenue Bonds are secured by a pledge of the net revenues of the City's parking system. The Sanitation Revenue Bonds are secured by a pledge of the net revenues of the Sanitation Enterprise Fund. The Sunshine State Financing Commission Loans are secured by a pledge of non-ad valorem tax revenues and a covenant to budget and appropriate.

In November 1985, the Sunshine State Governmental Commission (the Commission) was created. As of September 30, 2000, eleven cities and three counties were members of the Commission. Two cities participate as non-members. Under this interlocal agreement among the member governments, the Commission enables a limited number of qualifying governments to participate in pooled debt financings with pricing and cost structures not normally available to governmental entities acting individually. Loan obligations from the Commission are reflected as debt by the participating governments. The City has no obligation and minimal event risk associated with the Commission other than the repayment of its loan. Financial statements may be obtained from the Commission.

The bond resolutions of the various Excise Tax Improvement and Revenue Bond issues require that sufficient funds be available to meet the largest debt service requirement in any ensuing fiscal year. The City maintains a municipal bond debt service reserve fund insurance policy to satisfy

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

this requirement for its outstanding Excise Tax Improvement Bonds, thereby eliminating the need to set aside funds for this purpose. At September 30, 2000 funds available met the debt service requirements for Revenue Bonds.

The City has refinanced various bond issues through the issuance of refunding bond issues or otherwise has defeased outstanding debt. The proceeds from the refunding issues have been deposited in irrevocable trusts at commercial banks and invested in U.S. Government securities, which together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest on the issues refunded. The assets, liabilities, and financial transactions of these trust accounts are not reflected in the financial statements of the City. At September 30, 2000 total defeased debt outstanding was as follows:

Water and Sewer Revenue Bonds, Series 1978	\$ 3,600,000
Water and Sewer Revenue Bonds, Series 1993B	12,430,000
Excise Tax Improvement Bonds, Series 1992	<u>5,210,000</u>
	\$ <u>21,240,000</u>

On September 28, 2000 the City sold \$5,740,000 in Sanitation Revenue Bonds, Series 2000 to fund the expenses associated with the remediation of the Wingate landfill and incinerator site in compliance with a 1998 Consent Decree between the City, the Environmental Protection Agency (EPA) and the Potentially Responsible Parties (PRPs), know as the Wingate Superfund Group. These funds, combined with existing funds accumulated in the Sanitation Enterprise Fund will be sufficient to cover the City's share of the remediation and postclosure costs further described in note 10. The bonds carry an interest rate of 5.074% and will be repaid with semi-annual principal and interest payments over a period of 15 years from sanitation revenues.

On September 28, 2000 the City entered into a ten (10) year loan agreement with the Sunshine State Government Financing Commission (SSGFC) for \$2,085,000, the proceeds of which are being used to fund the replacements of the City's telephone and payroll/personnel systems. The loan is a variable rate loan with annual principal and monthly interest payments, maturing on September 1, 2010.

(10) ESTIMATED LANDFILL CLOSURE COSTS:

The Wingate landfill and incinerator was an active disposal site from 1954 to 1978. In 1990, the site was designated by the Environmental Protection Agency (EPA) as a superfund site requiring the City to take remedial action. Based on the results of a 1994 Remedial Investigation and Feasibility Study, the EPA agreed to various remedies including a single layer cap in 1996 in a final Record of Decision at an estimated remediation cost of \$20,500,000 which was recognized as a liability in the Sanitation Enterprise Fund. In 1998, the City entered into an agreement with the Potentially Responsible Parties (PRPs), know as the Wingate Superfund Group, to oversee compliance with a 1998 Consent Decree between the City, the EPA and the PRP's. As a result of the agreement, the City reduced its estimated remediation liability to \$10,000,000.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 2000

The consent decree provides for payment of expenses associated with the remediation, promotes cost effective response actions, allocates management and financial responsibilities and resolves claims for cost recovery between the parties. The consent decree was validated December 28, 1999 allowing site remediation to commence. The agreement with the Wingate Superfund Group created a trust fund for collection and disbursement of funds for the remediation and limited the City's share of remediation costs to \$8,325,000, excluding ancillary costs.

During the current year, the City and the PRPs entered into consulting and construction contracts for the remediation of the site for a total of \$5,532,100. Ancillary costs and contingencies are estimated at \$2,677,280. As a result, the City's liability for Estimated Landfill Closure Costs was further reduced to \$8,209,380 in the Sanitation Enterprise Fund. The closure should be completed by December 2001.

(11) CONTRIBUTIONS:

The enterprise and internal service funds receive permanent contributions of capital from certain government agencies and other sources. Most of these contributions are restricted by the contributing government agency to the acquisition or construction of capital facilities. The additions and major sources of contributions are as follows:

	<u>Water and Sewer</u>	<u>Other Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Contributions at October 1, 1999	\$ 99,932,131	14,201,045	16,139,832	130,273,008
Additions (Deletions):				
Federal Government	0	1,123,063	0	1,123,063
State of Florida	342,000	203,483	0	545,483
Other Funds (Net)	128,920	25,324	587,786	742,030
Assessments	995,488	0	0	995,488
Developers	588,447	0	0	588,447
Current Year Depreciation	<u>(2,133,299)</u>	<u>(607,976)</u>	<u>(25,862)</u>	<u>(2,767,137)</u>
Contributions at September 30, 2000	\$ <u>99,853,687</u>	<u>14,944,939</u>	<u>16,701,756</u>	<u>131,500,382</u>

(12) RETAINED EARNINGS/FUND BALANCES:

Reserves have been established in the various funds to comply with generally accepted accounting principles or covenants contained in the bond resolutions of the revenue bond issues. In addition, portions of the unreserved fund balances have been designated for subsequent years' expenditures.

At September 30, 2000 the components of Retained Earnings/Fund Balances consist of the following:

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Retained Earnings:			
Reserved for			
Revenue Bond Retirement	\$ 2,516,540	0	2,516,540
Replacement and Improvement	7,793,435	0	7,793,435
Regional Capital Improvements	4,034,343	0	4,034,343
Unreserved	<u>282,936,909</u>	<u>7,995,315</u>	<u>290,932,224</u>
	<u>\$ 297,281,227</u>	<u>7,995,315</u>	<u>305,276,542</u>

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>	<u>Total</u>
Fund Balances:						
Reserved for						
Encumbrances	\$ 2,028,855	112,917	0	11,921,811	0	14,063,583
Inventories	151,592	10,890,958	0	3,082,714	0	14,125,264
Employees' Pension Benefits	0	0	0	0	702,461,127	702,461,127
Endowments	0	0	0	0	14,038,392	14,038,392
Debt Service	0	40,083	912,716	0	0	952,799
Unreserved						
Designated for Subsequent Years' Expenditures	4,459,690	2,735,512	0	35,706,870	0	42,902,072
Undesignated	<u>1,509,264</u>	<u>3,925,863</u>	<u>0</u>	<u>7,181,951</u>	<u>0</u>	<u>12,617,078</u>
	<u>\$ 8,149,401</u>	<u>17,705,333</u>	<u>912,716</u>	<u>57,893,346</u>	<u>716,499,519</u>	<u>801,160,315</u>

At September 30, 2000 the following funds had deficit balances in retained earnings that were either fully or partially offset by accumulated contributions:

	<u>Retained Earnings</u>	<u>Contributions</u>	<u>Fund Equity</u>
Sanitation Fund	\$ (2,707,637)	1,383,460	(1,324,177)
Central Services Fund	(3,008,872)	7,066,906	4,058,034

The Sanitation Fund deficit resulted from its estimated landfill closure liability of \$8,209,380 which is further described in note 10. The deficit in the Central Services Fund resulted solely from the annual depreciation of over \$6 million in contributed fixed assets.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 2000

(13) EMPLOYEE RETIREMENT SYSTEMS:

The City's pension plans are presented in accordance with GASB Statements No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 27 "Accounting for Pensions by State and Local Governmental Employers". The objective of these statements is to enhance the understandability and usefulness of pension information included in the financial statements of state and local governmental employers.

Defined Benefit Plans - Plan Descriptions and Funding Policies

General Employees Retirement System

The General Employees Retirement System is a single-employer defined benefit plan administered by an eight member board of trustees which covers all City employees except police and firefighters. The City's payroll for employees covered by the plan applicable to the September 30, 1999 actuarial valuation was approximately \$51,091,000. The total City payroll at that time was approximately \$110,381,000. As of the valuation date, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	963
Terminated employees entitled to benefits but not yet receiving them	31
Fully, partially and non-vested active plan participants	1,333

Under the vesting provisions of the plan, most employees are entitled to 100% of normal retirement benefits after 5 years of service beginning at age 58. Certain employees hired on or after October 1, 1983 electing reduced benefits are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 65. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. These benefit provisions and all other requirements are established by City ordinance.

Employees contribute from 4% to 6% of their earnings to the plan. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of September 30 each year. For the current year the City's contribution rate as a percentage of annual covered payroll was 8.2%.

Police and Firefighters Retirement System

The Police and Firefighters Retirement System is a single-employer defined benefit plan administered by an eight member board of trustees which covers all police and firefighters. The City's payroll for employees covered by the plan applicable to the December 31, 1999 actuarial valuation was approximately \$42,103,000. The total City payroll at that time was approximately

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

\$112,384,000. As of the valuation date, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	604
Terminated employees entitled to benefits but not yet receiving them	22
Fully, partially and non-vested active plan participants	753

Under the vesting provisions of the plan, employees are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 47 or 50. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. These benefit provisions and all other requirements are established by City ordinance.

Employees contribute from 6% to 7% of their earnings to the plan. In addition, contributions are received from the State of Florida. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of December 31 each year. For the current year the City and State of Florida contribution rates as percentages of annual covered payroll were 13.1% and 9.1%, respectively.

Annual Pension Cost and Actuarial Methods and Assumptions

Annual Pension Cost (APC) is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The APC for the General Employees and Police and Firefighters plans for the last three fiscal years follow:

Fiscal Year Ended In:	<u>General Employees</u>		<u>Police and Firefighters</u>	
	Percent		Percent	
	<u>Amount</u>	<u>Contributed</u>	<u>Amount</u>	<u>Contributed</u>
1998	\$ 5,482,994	100%	\$ 6,653,658	100%
1999	5,693,583	100	6,054,880	100
2000	4,187,028	100	4,841,916	100

Since the City contributed 100% of the APC in each of the years indicated, there was no net pension obligation at the end of any year for either plan.

Actuarial methods and significant actuarial assumptions used to determine the annual required contributions for the current year follow:

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 2000

	<u>General Employees</u>	<u>Police and Firefighters</u>
Valuation Date	September 30, 1999	December 31, 1998
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	13-30 Years	3-30 Years
Asset Valuation Method	Three year smoothed market	Investment earnings greater than assumed rate over 4 year
Actuarial Assumptions:		
Investment Rate of Return	7.5% Including 4% Inflation	8% Including 4.5% Inflation
Projected Salary Increases	4.0% - 6.4%	5.2% - 8.2%
Cost-of-Living Adjustments (COLA)	Ad Hoc COLA's are granted with City Commission ap- proval if investment earnings exceeded the funding assump- tions in the prior year.	A COLA, limited to the change in the CPI, is granted each year to the extent it can be funded by the net experience gains during the prior year.

Six year historical trend information is presented in supplementary schedules following these notes (see page 42). In addition, both the General Employees and Police and Firefighters Retirement Systems issue separate financial statements. The Police and Fire plan statements are issued annually and the General Employees plan statements are issued biennially.

Defined Contribution Plans

General Employees Special Class Plan

The General Employees Special Class Plan is a single-employer defined contribution plan administered by the City which covers all classified City employees (except police and firefighters) who are not eligible to participate in the General Employees Retirement System. The City's current year payroll for employees covered by the plan was approximately \$1,024,000. The total City payroll for the year was approximately \$116,463,000.

The City contribution requirement of 9% on earnings of participants was paid on a biweekly basis and amounted to \$92,117 for the current year. Employee contributions are neither required nor permitted under the plan.

Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance.

Non-classified Employees Retirement Plan

The Non-classified Employees Retirement Plan is a single-employer defined contribution plan administered by the City which covers certain non-classified City employees who have elected not to participate in the City's General Employees Retirement System. The City's current year payroll for employees covered by the plan was approximately \$355,000. The total City payroll for the year was approximately \$116,463,000.

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

The City contribution requirement of 11.3% on earnings of participants up to a maximum of \$8,000 was paid on a biweekly basis and amounted to \$40,086 for the current year. Employee contributions are neither required nor permitted under the plan.

Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance.

(14) OTHER POSTEMPLOYMENT BENEFITS:

The City provides a postemployment health insurance benefit for its general employees and sworn police officers. Employees are paid from \$100 to \$300 per month upon normal retirement for the purchase of health insurance. The benefit continues until age 65 and is funded on a pay-as-you-go basis. As of September 30, 2000 there were 218 retired employees receiving the benefit with an additional 2,056 employees eligible for participation in the future. Payments totaled \$481,775 for the year.

(15) DEFERRED COMPENSATION PLAN:

The City offers a deferred compensation plan to its employees in addition to the pension plans. Participation is optional. The City has adopted the provisions of IRS code Section 457(g) and GASB Statement No. 32 "Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans". Under these provisions, all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not reported within the City's financial statements.

(16) OTHER INCOME:

The components of other income on the combined statement of revenues, expenditures and changes in fund balances - all governmental fund types follow:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Interfund Service Charges	\$ 13,582,975	6,075	0	0	13,589,050
Assessments and Impact Fees	5,085,417	0	0	297,581	5,382,998
Interest	1,385,439	524,405	161,774	3,547,771	5,619,389
Rents and Concessions	2,243,466	170,407	0	0	2,413,873
Sale of Property	37,496	0	0	0	37,496
Contributions and Donations	52,043	0	0	447,227	499,270
Miscellaneous	<u>607,306</u>	<u>205,161</u>	<u>0</u>	<u>0</u>	<u>812,467</u>
	<u>\$ 22,994,142</u>	<u>906,048</u>	<u>161,774</u>	<u>4,292,579</u>	<u>28,354,543</u>

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

(17) EQUITY TRANSFERS:

Transfers of equity between funds are recorded as equity transfers in the governmental funds and as equity transfers or as additions to and deletions of contributions in the enterprise and internal service funds. A summary of these transactions for the year ended September 30, 2000 follows:

	<u>Equity Transfers In</u>	<u>Equity Transfers Out</u>	<u>Additions To Contributions</u>	<u>Total</u>
Governmental Funds	\$ 62,929	(513,216)	0	(450,287)
Enterprise Funds	0	(291,743)	154,244	(137,499)
Internal Service Funds	<u>0</u>	<u>0</u>	<u>587,786</u>	<u>587,786</u>
	\$ <u>62,929</u>	<u>(804,959)</u>	<u>742,030</u>	<u>0</u>

(18) OPERATING LEASES:

On September 1, 1962 the City entered into a lease agreement with Bahia Mar Yachting Center, Inc. (Bahia Mar) for the purpose of constructing and operating a restaurant, lounge, yacht club, motel/hotel, convention hall, marine facilities and other similar businesses. The cost of the property at the inception of the lease was \$552,000. On June 30, 1994 this lease was assumed by RAHN Bahia Mar, LTD. and, as amended, will terminate on August 31, 2062, at which time, all additions to the property originally leased to Bahia Mar will revert to the City.

The lease agreement provides for a minimum guaranteed annual rental of \$300,000 per year. In addition, the City receives contingent rentals (\$491,817 in 2000) based upon escalating percentages of gross receipts for the duration of the agreement.

The City has various aviation leases and nonaviation land leases which are accounted for as operating leases in the Airport Fund. Minimum future rentals on these leases as of September 30, 2000 follow:

	<u>Aviation Leases</u>	<u>Land Leases</u>	<u>Total</u>
Fiscal Year Ending in:			
2000	\$ 877,931	2,001,748	2,879,679
2001	877,931	2,001,748	2,879,679
2002	877,931	2,001,748	2,879,679
2003	877,931	2,001,748	2,879,679
2004	877,931	2,001,748	2,879,679
Later Years	<u>16,060,868</u>	<u>60,429,414</u>	<u>76,490,282</u>
	\$ <u>20,450,523</u>	<u>70,438,154</u>	<u>90,888,677</u>

Contingent rentals on these leases amounted to \$1,050,003 in the current year.

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

(19) SEGMENTS OF ENTERPRISE ACTIVITIES:

Various services provided by the City are financed by user charges including water and sewer, sanitation, parking, airport and stormwater. The key financial information (in thousands) for the year ended September 30, 2000 for these services follow:

	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Parking System</u>	<u>Airport</u>	<u>Stormwater</u>	<u>Total</u>
Operating Revenues	\$ 60,886	17,592	7,210	4,076	2,901	92,665
Depreciation	7,957	130	826	643	134	9,690
Discount Amortization	11	0	43	0	0	54
Operating Income (Loss)	13,475	(429)	1,782	75	324	15,227
Operating Transfers Out	2,008	2	2,052	24	0	4,086
Net Income (Loss)	16,421	1,796	(111)	1,166	922	20,194
Capital Contributions	2,055	0	0	1,327	25	3,407
Fixed Asset Additions	14,381	876	604	1,561	57	17,479
Fixed Asset Deletions	18	0	0	3	3	24
Net Working Capital	70,265	5,327	7,531	12,415	8,701	104,239
Total Assets	364,329	14,515	32,087	27,000	12,383	450,314
Long-Term Bonds	3,070	5,740	6,060	0	0	14,870
Other Long-Term Liabilities	0	8,209	0	0	0	8,209
Total Equity	349,068	(1,324)	25,700	26,652	11,984	412,080

(20) COMMITMENTS AND CONTINGENT LIABILITIES:

The City has outstanding commitments for construction and acquisition of property, plant and equipment in the various enterprise funds. The following is a summary of the more significant of these commitments at September 30, 2000:

<u>Water and Sewer Fund</u>	
Collection and Distribution Systems	\$ 6,979,331
Wastewater treatment Plant Improvements	773,797
Other	<u>1,853,576</u>
	<u>9,606,704</u>
<u>Sanitation Fund</u>	
Wingate Landfill Closure	<u>270,335</u>
<u>Airport Fund</u>	
Airfield Improvements	216,427
Downtown Heliport	<u>167,096</u>
	<u>383,523</u>
<u>Stormwater Fund</u>	
Storm Drainage	<u>341,013</u>
	<u>\$ 10,601,575</u>

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000**

On August 9, 1990 the City's wastewater biosolids compost plant was voluntarily taken out of service due to mechanical and odor control system problems. To address the disposal of the wastewater solids generated at the City's regional wastewater treatment plant, the City determined, from both an economic and regulatory standpoint, that the most viable solution was land application of the solids. The cost of the existing plant, which currently has a book value of \$21.2 million, was partially reimbursed by \$15.8 million in EPA grant funds. On March 9, 2000, the EPA requested a refund of the grant of approximately \$13.3 million. No liability has been recognized for this amount. The City is currently negotiating with the EPA to permanently close the facility. If an agreement is reached, the City believes the plant will be disposed of and any reimbursement to the EPA would be limited to proceeds received from the disposal.

The City participates in a number of state and Federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. As provided by terms of their grant, the EPA conducted an interim audit of the compost plant project in 1994 and requested reimbursement of \$1 million at that time. The City has vigorously disputed the EPA's findings and the situation remains unchanged at this time. No liability has been recognized in the Water and Sewer Fund for this contingency as it is management's belief that the final resolution will not have a material impact on the City's financial statements.

The EPA has conducted a remedial investigation at the City's Peele Dixie wellfield site to determine the source of ground water contamination. Primary sources for the contamination have been tentatively determined by the EPA to be a former waste oil reclamation facility and a site currently owned by the State of Florida. The EPA is using the Superfund process to recover remediation costs from the responsible parties. A settlement is anticipated to be reached sometime in 2000. Based upon this information, the City firmly believes that it will not incur additional expenses toward the remediation of this site.

Various substantial lawsuits have been filed against the City including personal injury claims, liability claims related to police activities and general liability claims. The estimated liabilities related to the various claims have been accrued in the City Insurance Internal Service Fund. In the opinion of City management, the expected liability for these claims would not materially exceed the amounts recorded in the financial statements.

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
LAST SIX FISCAL YEARS
(IN MILLIONS)

GENERAL EMPLOYEES RETIREMENT SYSTEM

<u>VALUATION DATE</u>	<u>ACTUARIAL VALUE OF PLAN ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY (AAL)- ENTRY AGE</u>	<u>UNFUNDED AAL (UAAL)</u>	<u>FUNDED RATIO</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL</u>
9/30/1994	\$ 147.4	181.0	33.6	81.4 %	\$ 41.8	80.4 %
9/30/1995	163.3	192.6	29.3	84.8	42.7	68.6
9/30/1996	175.9	215.9	40.0	81.5	43.1	92.8
9/30/1997	204.9	225.9	21.0	90.7	45.4	46.3
9/30/1998	228.1	247.5	19.4	92.2	49.0	39.6
9/30/1999	254.7	250.8	(3.9)	101.6	51.1	-

POLICE AND FIREFIGHTERS RETIREMENT SYSTEM

<u>VALUATION DATE</u>	<u>ACTUARIAL VALUE OF PLAN ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY (AAL)- ENTRY AGE</u>	<u>UNFUNDED AAL (UAAL)</u>	<u>FUNDED RATIO</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL</u>
12/31/1994	\$ 201.3	246.2	44.9	81.8 %	\$ 31.3	143.5 %
12/31/1995	222.2	259.8	37.6	85.5	33.0	113.9
12/31/1996	247.8	282.9	35.1	87.6	35.0	100.3
12/31/1997	282.1	311.4	29.3	90.6	33.3	88.0
12/31/1998	331.6	336.4	4.8	98.6	37.1	12.9
12/31/1999	375.4	362.4	(13.0)	103.6	42.1	-

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES
LAST SIX FISCAL YEARS

FISCAL YEAR ENDED	GENERAL EMPLOYEES RETIREMENT SYSTEM		POLICE AND FIREFIGHTERS RETIREMENT SYSTEM			
	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	CITY		STATE OF FLORIDA	
			ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
9/30/1995	\$ 6,253,916	100 %	\$ 6,534,875	100 %	\$ 1,944,969	100 %
9/30/1996	5,091,855	100	8,008,653	100	2,217,051	100
9/30/1997	6,022,556	100	7,092,440	100	2,379,035	100
9/30/1998	5,482,994	100	6,653,658	100	2,902,854	100
9/30/1999	5,693,583	100	6,054,880	100	2,879,668	100
9/30/2000	4,187,028	100	4,841,916	100	3,368,466	100